

## **PRESS RELEASE**

January 19, 2006

United States Attorney Deborah Rhodes announced today the unsealing of a federal Indictment charging Orange Beach Mayor Stephen Russo with defrauding the citizens of Orange Beach of their right to Russo's honest services as Mayor. The Indictment was returned by a federal Grand Jury empaneled in the Southern District of Alabama.

Ms. Rhodes said, "The citizens of Orange Beach have the right to the honest services of their Mayor. The Indictment alleges that they did not get that." The seven-count Indictment alleges that Russo engaged in two different schemes to defraud the citizens of his honest services. Counts One through Four charge the first scheme – that Mayor Russo failed to report over \$30,000 in campaign contributions, as required by Alabama law, and then began to use that money to pay for thousands of dollars of personal expenses incurred on his own personal credit card. Russo received these contributions during his 2004 campaign for re-election. Counts Five through Seven allege the second scheme – that Russo incurred personal vacation expenses which were later charged to the citizens of Orange Beach. "The Indictment alleges that Mayor Russo let the city pick up the tab for a weekend vacation in New York City, complete with theater tickets and limousine service on call throughout the weekend."

The Indictment is the result of a joint investigation conducted by the Federal Bureau of Investigation, the Alabama Attorney General's Office, and Office of the Baldwin County District Attorney.

"It is always disappointing when government officials must be indicted for betraying the public trust," said Alabama Attorney General Troy King. "It is important that the people of Orange Beach, and all of Alabama, take heart in knowing that, while public corruption continues to exist in our state, it will not be tolerated. When evidence of such conduct is brought forward, it

will be thoroughly investigated and any crimes found to have been committed will be vigorously prosecuted regardless of who committed them. Nothing less will do if our citizens are to have confidence in their leaders and faith in their government restored.”

The joint investigation is ongoing.

Each of the counts allege that Russo executed the schemes to defraud by committing mail or wire fraud, in violation of Title 18 United States Code, Sections 1341, 1346 and 2. Each count carries a maximum penalty of up to 20 years imprisonment and a fine of \$250,000.